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7 **UNITED STATES DISTRICT COURT**
8 **WESTERN DISTRICT OF WASHINGTON**
AT SEATTLE

9 **GLOBAL BUILDING PRODUCTS**
10 **LTD.; GLOBAL BUILDING**
11 **PRODUCTS (12) LTD.; GLOBAL**
12 **BUILDING PRODUCTS (17) LTD.; and**
13 **FSR TREATMENT, INC., all Canadian**
14 **corporations,**

15 Plaintiffs,

16 v.

17 **CHEMCO, INC.; CHEMCO**
18 **ACQUISITION CORPORATION; and**
19 **VERDANT WOOD TECHNOLOGIES,**
20 **INC., all Washington corporations,**

21 Defendants.

Case No.

DECLARATION OF RANDOLPH C.
FOSTER IN SUPPORT OF
PLAINTIFFS' PETITION FOR ORDER
TO CONFIRM ARBITRAL AWARD

22 I, RANDOLPH C. FOSTER, do hereby declare and say:

23 1. I am a partner in the law firm of Stoel Rives LLP and am licensed to practice law
24 in Washington, Oregon and Idaho. I represent the Plaintiffs in this confirmation proceeding, and
25 represented them in the arbitration that is the subject of the Plaintiffs' pending Petition. I submit
26 this declaration in support of Plaintiffs' Petition for Order to Confirm Arbitral Award. Except
where otherwise stated, the matters set forth in this declaration are true and correct of my own

DECLARATION OF RANDOLPH C. FOSTER IN SUPPORT OF PLAINTIFFS'
PETITION FOR ORDER TO CONFIRM ARBITRAL AWARD - 1

1 personal knowledge and, if called as a witness, I could and would testify competently about
2 them.

3 2. On behalf of Plaintiffs, on April 25, 2011 I filed a Demand for Arbitration with
4 the American Arbitration Association ("AAA") seeking resolution of certain disputes against the
5 Defendants and "any and all successors in interest and alter egos." A true copy of that filing is
6 attached hereto as **Exhibit 1**. Plaintiffs are all Canadian corporations with their principal place
7 of business in British Columbia. Defendants are all Washington corporations and their principal
8 place of business in Ferndale, Washington. Because the dispute set out in the Demand for
9 Arbitration was between parties from different countries, the AAA processed the Demand for
10 Arbitration through its International Centre for Dispute Resolution ("ICDR").

11 3. Attached hereto as **Exhibit 2** is a true and correct copy of a letter from the ICDR
12 dated May 5, 2011, acknowledging receipt of Plaintiffs' Demand for Arbitration.

13 4. Attached hereto as **Exhibits 3 and 4** are true and correct copies of Defendants'
14 Answering Statement and Answer and Counterclaims dated May 20, 2011. Attached hereto as
15 **Exhibit 5** is a true and correct copy of Plaintiffs' Response to Respondents' Counterclaims dated
16 June 7, 2011.

17 5. Attached hereto as **Exhibit 6** is a true and correct copy of June 6, 2011 and
18 June 21, 2011 letters from the ICDR confirming the appointment of Thomas J. Brewer as the
19 arbitrator of the parties' disputes arising under their respective claims and demands.

20 6. Attached hereto as **Exhibit 7** is a true and correct copy of the Protective Order
21 executed by the parties and Arbitrator Brewer on August 24, 2011.

22 7. Attached hereto as **Exhibit 8** is a true and correct copy of the Arbitrator's
23 Prehearing Order No. 1.

24 8. Attached hereto as **Exhibit 9** is a true and correct copy of the parties' Joint
25 Statement of Issues that was submitted jointly by the parties to the Arbitrator on September 30,
26 2011. Both parties submitted signed versions of this document to the Arbitrator.

**DECLARATION OF RANDOLPH C. FOSTER IN SUPPORT OF PLAINTIFFS'
PETITION FOR ORDER TO CONFIRM ARBITRAL AWARD - 2**

1 9. Attached hereto as **Exhibit 10** is a true and correct copy of the Arbitrator's
2 Prehearing Order No. 3 rescheduling the arbitration hearing.

3 10. Attached hereto as **Exhibits 11 and 12** are the parties' respective filings outlining
4 their initial respective requests for relief.

5 11. Attached hereto as **Exhibits 13 and 14** are copies of two of the agreements (the
6 "Exclusive License Agreement" and the "Toll Manufacturing Agreement" – arbitration Exhibits
7 4 and 9 respectively) dated December 1, 2007 executed by the parties to effect the purchase of
8 the Chemco cedar wood roofing fire retardant treatment technology and business as explained in
9 more detail in the Interim and Final Awards issued by the Arbitrator. The Exclusive License
10 Agreement (**Exhibit 13**) provides, in pertinent part:

11 9. DISPUTE RESOLUTION:

12 *Any dispute, claim or controversy arising out of or relating to the execution,*
13 *interpretation and performance of this Agreement shall be submitted to binding*
14 *arbitration. The arbitration shall be conducted in accordance with the*
15 *Commercial Arbitration Rules of the American Arbitration Association. The*
16 *place of arbitration shall be Bellingham, Washington, or such other place as may*
 be agreed upon by the Parties. The Parties shall attempt to agree upon one
 arbitrator, but if they are unable to agree, each Party shall appoint an arbitrator
 and the two arbitrators so appointed shall select a third arbitrator. [remainder of
 this section of the Exclusive License omitted]

17 The Toll Manufacturing Agreement (**Exhibit 14**) provides, in pertinent part:

18 10. DISPUTE RESOLUTION:

19 *Dispute Resolution. All disputes arising under this Agreement shall be*
20 *resolved in the manner prescribed in the Exclusive License Agreement for*
 resolving disputes.

21 12. Attached hereto as **Exhibit 15** is the Arbitrator's Interim Award dated April 19,
22 2012.

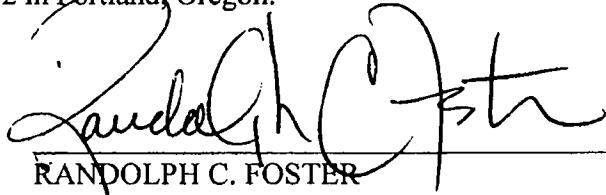
23 13. Attached hereto as **Exhibit 16** is the Arbitrator's Final Award dated June 8, 2012.

24 14. As of today, Defendants have not satisfied the economic terms of the Final
25 Award.

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**DECLARATION OF RANDOLPH C. FOSTER IN SUPPORT OF PLAINTIFFS'
PETITION FOR ORDER TO CONFIRM ARBITRAL AWARD - 3**

1 I declare under penalty of perjury under the laws of the State of Oregon and the laws of
2 the United States of America that the foregoing is true and correct.

3 DATED this 12th day of June, 2012 in Portland, Oregon.

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RANDOLPH C. FOSTER

**DECLARATION OF RANDOLPH C. FOSTER IN SUPPORT OF PLAINTIFFS'
PETITION FOR ORDER TO CONFIRM ARBITRAL AWARD - 4**

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on June 12, 2012, I electronically filed the foregoing with the Clerk of the
3 Court using the CM/ECF system and am in the process of process serving same on all
4 defendants.

5 DATED: June 12, 2012 at Seattle, Washington.

6 **STOEL RIVES LLP**

7 By: s/ Randolph C. Foster

8 By: s/ Maren R. Norton

9 Randolph C. Foster, WSBA No. 15968

Maren R. Norton, WSBA No. 35435

10 Stoel Rives LLP

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11 Seattle, WA 98101

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14 Attorneys for Plaintiffs

Global Building Products Ltd., et al.

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**DECLARATION OF RANDOLPH C. FOSTER IN SUPPORT OF PLAINTIFFS'
PETITION FOR ORDER TO CONFIRM ARBITRAL AWARD - 5**